

A Work Project, presented as part of the requirements for the Award of a Master Degree in
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“HOW TO ACHIEVE A PROFITABLE BRAND EXPANSION OF 24 KITCHEN IN
PORTUGAL”
BRAND IDENTITY, BRAND ELEMENTS, SERVICE AND PRODUCT ASSORTMENT

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1. Brand Equity

Prior to explore possibilities for a brand expansion of 24 Kitchen in new contexts, it is fundamental to build a strong brand equity by focusing on creating additional “customer value”. Brand equity is the added value that brands can bring to products and services and can be achieved by investing in creating strong brand awareness and favourable brand associations in consumers’ mind (Keller, 2012). It can also be defined as the added value that brands can bring to product and to which consumers are willing to pay a premium price for (Lovelock; Wirtz, 2016). Considering the perspective of consumers, the Customer-based brand equity (CBBE) emphasizes the importance that brand knowledge – namely brand awareness and brand image - has on consumer response to the marketing activities of a brand. Brand knowledge refers to what consumers have learned, felt and experienced over time. Especially in trading-up brand expansions – which is the case of 24K World - a positive equity provides launching pads for new products, facilitate consumers’ acceptance toward a possible extension and create favourable reactions on how products are marketed (Keller, 2012).

2. Brand Identity

Literature in brand management suggest several definitions of brand identity. Brand identity is a managerial tool used by enterprises for managing and differentiating brands over time – what managers would like the brand to be. It refers to brands’ tangible and intangible characteristics: everything that makes a brand what it is and without which it would be something different, highlighting the brand’s uniqueness and singularity (J-N Kapfereer, 2012). These definitions entail a unilateral and internal aspiration of brand managers while emphasizing a stable and long-lasting reference for consumers. Brand identity can be described using the Kapfereer (2012) identity prism that divides the identity in six different facets. Those facets are closely linked, thus forming a cohesive and coherent identity.

Physical: refers to the most salient brand features, attributes and elements that are perceivable and comes to mind when thinking of a brand. Physical appearance, characteristics of products and some brand elements can be mentioned as logos, packaging, prototype.

Relationship: refers to the counterpart given by the brand to consumers and defines occasions of transaction and exchange, highlighting both functional and emotional benefits that the brand provides to consumers.

Customer Reflection: envisages the desired consumer type that the brand has the ambition to have. However, projecting the consumer desired is not describing the actual target. The target is the brand's potential purchaser whereas the customer reflection idealises the image of a person which people want to identify with as a result of using the brand.

Personality: describes the brand using adjectives and its traits that are relevant thus building up a human character. Personality answer the question "if the brand would be a person, which kind of person would it be". This allows the consumer to identify with the brand.

Culture: the cultural facet of brand identity is perhaps the most meaningful. It refers to the set of values, ideologies and dogmas feeding the brand's inspiration. It is the central core of the brand: the brand essence that legitimate the brand's existence by highlighting its role and purpose.

Self-image: refers to what brand managers would like customers to feel and experience when they are interacting with the brand, while purchasing or using it. It describes the customers' internal mirror: the inner relationship that consumers establish with themselves through the interactions they have with the brand.

The prism is drawn over a simple idea: brands have the power to communicate and they do it through their identity. Communication in its simplest definition entails sending or receiving of information. The Kapfeerer prism is based on this idea that the flow of communication is between the brand (sender) and their consumer or user (receiver). A horizontal division of the

prism sets the direction of the conversation. The physique and personality characteristics defines the sender, whereas the customer reflection and self-image defines the recipient. Relationship and culture works as a bridge between the two. Moreover, there is a vertical separation of the prism, where characteristics such as physique, relationship and consumer reflection defines the brands outward identity and personality, culture and self-image reflects the internal core of the brand (J-N Kapferer, 2012). The brand identity of 24K World can be found in [exhibit 1].

3. Brand Architecture

An effective management of the overall brand portfolio is required to maximise brand equity across brands and products belonging to the same entity. The brand portfolio is described by Keller et Al (2012) as a set of brands and brand lines that a firm offers in one or several categories. Effective management occurs when market coverage is maximised and there is no overlap amongst brands. Brand architecture refers to the hierarchy and the type of relation that occurs within different elements of the overall portfolio (Aaker, 2004). When developing brand extensions, brand architecture should be carefully designed so that there are synergies and mutual support between the various brands. A description of the main product-defining building blocks – master brands, endorsers, subbrands and the driver role concept is provided.

Master brand: is the main point of reference of the offering and usually has the highest hierarchical level by which it is anchoring all the underlying products. However, it can have a subbrand below or can be endorsed by another brand.

Endorser brand: is an organisational brand that brings credibility and substance to the offer yet maintaining a clear separation from the products that is endorsing, minimizing the risk that endorser's image is influenced by the performances of endorsed brands.

Subbrands: have the power to alter associations, brand personality, product category and also working as brand energiser for the master brand. A subbrand allows the master brand to extend

its area of competence in new contexts and reaching new consumer segments. However, the master brand remains the main reference.

Driver roles: refers to the strength of attracting purchase decisions and establishing the user experience by a brand. Brands manifesting high customer loyalty can play the driver role. Even though the driver brand may vary by segment, it is usually a master brand or a subbrand.

The brand relationship spectrum is a framework used for understanding the relationship that occur between different brands and different product-defining roles options (Aaker, 2004). It is explained below.

House of brands: groups unrelated and autonomous brands under the same umbrella each one operating independently. A variation is the shadow endorser where there is not a clear link between brands but some customers may know about the common roots.

Endorsed brands: even though endorsed brands are not independent from the endorsers, they manifest some autonomy in forming associations and a personality that slightly differ from the endorser's one. Variants of this category include the *token endorsement* - where the endorsement is even less perceivable, *linked name* - where a link is created by using a name carrying common elements - *strong endorsement* - where there is a clear indication of the endorsement in the name.

Subbrands: define a close relationship with the master brands and, due to its proximity it has power to influence its associations. If both brands have equal driver role they are both co-drivers, whereas if the master brand is the primary driver and the sub-brand has a minor role.

Branded house: the master brand takes the dominant driving role and capitalizes on having the same name over an entire product portfolio. However, the usage of descriptors facilitates association by indicating the peculiar business but they have little or no influence in the driving role (Aaker, 2004).

The brand architecture of 24 Kitchen can be found in [Exhibit 2]. The 24K World subbrand – which includes three brand extensions operating outside TV - is created only for facilitating the internal company's management and is not communicated to consumers in order to avoid confusion on the role played by brands. The three business models – 2 T4sty!, 24K Live and 24K Product Line - are endorsed by 24 Kitchen through a linked name with 24 Kitchen having the primary driver role. The organisational brand guarantee that each offer fulfils the brand promise and brings credibility to each expansion yet giving room to establish new product associations. Since 24 Kitchen is operating in a new business environment, an endorsed strategy is a safer option than, for instance, a subbrand strategy thus minimizing the risks that performances of endorsed brands impact the endorser's one.

4. Brand Elements

In today's complex world dictated by too many choices for consumers, a stronger need for identifiers, signs and markers occurs for providing a mental shortcut and orientate decisions. The primary role of branding is indeed to create differences for simplifying consumer's choice. According to Keller (2012), brand elements are trademarkable devices that serve the same function: to identify and differentiate brands. The most important brand elements are names, websites, logos, symbols, characters, spokespeople, slogans, jingles, packages and signage. If chosen wisely, brand elements can enhance brand equity and brand knowledge. Six criteria are important for choosing brand elements: memorability, meaningfulness, likeability, transferability, adaptability and protectability (Keller, 2012). Brand elements ought to be wisely chosen according to objectives and considering that is difficult to satisfy all the six criteria. However, when used together they create synergies and complement each-others. Brand elements for the 24K World offering are explained.

2 T4sty!

Brand name: the name trade-off benefits as meaningfulness, simplicity and familiarity. The name is meaningful as it evokes the benefit of having a tasty meal, it is short, therefore it is simple, and finally, familiar as the name directly relates to the main brand 24 Kitchen. The alphanumeric lettering evokes brand's distinctiveness while maintaining credibility in the product category given by the master brand's endorsement. The name is linked to emotions and feelings of craving a tasty meal. Brand recall is further fostered by the pleasant sound of the brand name.

Website/APP: by using as a Uniform Resource Locators (URL) the same brand name – www.2t4sty.pt, consumers recall easier how to reach the website.

Logo and symbols: the logo reinforces the brand promise by displaying the brand name – 2 T4sty! entails the pleasure of a tasty meal. The graphical elements – the chef hats and the fork - evoke professionalism passing the message that everyone is a chef when using the offer. In the background, the green colour again connects with the master brand.

Slogan: differently from the brand name, here the slogan mainly focuses over non-product related benefits. The slogan “O amor de volta a cozinha” highlight the emotional side of the experience: how the product enable to share complicity moments with loved ones.

24K Live

Brand name: the name, which is also the logo, foster brand awareness because is simple, familiar and meaningful. It suggests the most important benefit of the offer: the world of 24 Kitchen comes alive. Consumers can now tangibly experience the brand by interacting with it and having an hands-on experience.

Slogan: the slogan “É muito mais do que comer” communicate the broad variety of the offer while linking benefits to the product category – food. The slogan reinforces the positioning and the main point of difference.

Website: as the offering is closely tight to 24 Kitchen TV channel the creation of a microsite within the 24 Kitchen website is the optimal choice. This move allows the firm to capitalise on current assets and avoiding investments for creating and managing a new one.

24K Product Line

Brand Name: by using a descriptor in the name, a direct link with the product category is formed thus enhancing simplicity, meaningfulness and familiarity.

Slogan: “*Para o chef que ha em si*” reinforces the positioning of the brand and its point of differences— using professional tools used by chefs enables you to become one and invites.

Website: what stated for 24K Live can be applied also here.

Brand elements of the three business expansions can be found on [Exhibit 3].

5. Service and Products Assortment

5.1 Product Policy

Company’s product policy decisions evolve around two main questions: how many product lines an enterprise wants to market and how many items wants to offer within each product line. A product line comprises products within a certain category that are linked because they have similar functionalities, are sold to the same group of consumers and have a similar route to market (Kotler; Keller, 2016). The choice over the variety and number of different product lines offered by a company entangles decisions on product breadth. The choice on the number of items present within each product line involves product line depth decisions. Eventually, a company need to underpin decisions over the design of each single item thereby defining characteristics and specifications (J. Dolan, 2015). When developing a multi-item line, decisions regarding item’s design ought to be made in accordance to the design of other items belonging to the same line (J. Dolan, 2015).

Product Mix Breadth Decisions: in the case of 24 K World, product breadth decisions are mainly based on the opportunity to further leverage and capitalise on 24 Kitchen brand’s

strengths in new context. Decisions over product mix breadth (2 T4sty!, 24K Live and 24K Product Line) were taken with the goal of maximizing market coverage - by targeting different consumer segments - and minimizing market overlap, by offering different and not related propositions appealing to distinctive consumers' needs.

Product Line Depth: the depth of the product line is related to the willingness/ability to target different consumers' preferences within the broad segment chosen. A product-map is a useful tool for developing the length of a product line because: it shows how each item is positioned respect the competition, it project scenarios for expanding (or shrinking) the line and identifies and monitors market segments (Kotler; Keller, 2016).

For 2 T4sty!, the product line is formed by twelve boxes offering an horizontal differentiation to accommodate different consumer's taste. The always changing menus and the online system allowing consumers to choose boxes of the following month enable 24 Kitchen to satisfy consumers with the right product. As regarding 24 K Live, the depth of the stand's offering allows guests to choose from a wide range of products – namely different types of food, gourmet products and beverages – for accommodating different consumer's needs. When considering 24K Product Line, the depth refers to the different kitchen utensils and appliances offered: as those products are not substitutes, carrying a deep product line may be beneficial for 24 Kitchen as the target could decide to buy several - and not interrelated – items. Moreover, the risk of cannibalization is minor/not existing since products serves for different purposes.

Overall, as the Company aims to expand in new contexts and become a reference in the market, carrying long product lines is beneficial for increasing market share and market growth. If the company would be already an established player, shortening the product line might enhance its profitability (Kotler; Keller, 2016).

5.2 Product Services

“A product is anything that can be offered to a market to satisfy a want or need”. According to the definition suggested, products are not only physical and tangible goods. Instead, they are anything that can be marketed and that can create value for consumers (Kotler; Keller, 2016).

The main difference between products and services relate to the fact that services provide benefits without ownership under a form of renting system. Those benefits – for which customer are willing to pay a premium price for – are experiences and solutions. In a service context based on a non-ownership perspective, in exchange of money, time and effort a consumer can require benefits related to: 1) labour, skills and expertise, 2) good services, 3) defined space and facility rentals, 4) access to shared facilities, 5) access and use of networks and systems. Services can impact not only consumers but objects and other assets. According to the process perspective – which consider the entity on which the service has an impact on – we can define four different categories: *people processing* – where consumers ought to be an active part of the process and service production and consumption is simultaneous – *possession processing* – tangible services provided over a possession of the customer – *mental stimulus processing* – information based services requiring efforts and time from the consumer’s side – *information processing* – where the information core of the service is processed by an entity bearing reasoning skills (Lowelock; Wirtz, 2016). Service providers are entities offering to consumers experience rather than tangible products. Even though a tangible product maybe be offered, the service is the prominent feature. A service product ought to possess three main components: the core product, supplementary services and the delivery process. The core of the product reflects what consumers are buying. Supplementary services bring customer value by enhancing the core offering and can be categorised under the followings: information provision, order-taking, clear and complete billing, modalities of payment, consultation and counselling, hospitality, exceptions from company’s policies, safekeeping and security services on

consumers' possessions (Lowelock; Wirtz, 2016). The 24K World service mix focuses on core products of the offer, supplementary services - augmenting and enhancing the core's products value proposition - and a tailored delivery process, thus meeting the precise and different customers' needs. Supplementary services for the three offerings can be found in [Exhibit4]

6. New product development and roadmap for the future

For every successful product innovation, there are key common factors that emerge. The number-one driver of new-product profitability is a unique superior product: *“a differentiated product that delivers unique benefits and a compelling value proposition to the consumer or user”* (Cooper, 2011). Another fundamental factor contributing to the success of a disrupting product innovation is a precise and well defined product concept structure. Moreover, it is important for the company to conduct analysis regarding the best target, specific product requirements and benefits for consumer. Eventually operational effectiveness could be achieved through marketing synergies, quality of execution and market attractiveness. New product development might occur internally to the company - by giving responsibilities to product managers or cross-functional teams - or externally to the company – e.g. through crowdsourcing (Kotler; Keller, 2016). The role of consumers has never been so important also in this field and companies are continuously focusing their operations around consumer-centricity and consumer empowerment. The usage of customer-driven engineering focused on developing new products is becoming increasingly relevant (Kotler; Keller, 2016). When considering future goals for 24K World offering – explained in the relative chapter of the Work Project - market testing would not be a fundamental step for 24K Live and 24K Product Line as the product development is mainly based on an expansion of existing product line. However, concerning 2 T4sty! an external study of the competition, concept testing, marketing strategy development as well as an estimation of the business attractiveness would be fundamental steps. Eventually, market tests involving consumers would need to be conducted.

7. References

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8. Exhibits

Exhibit 1. – Brand Identity 24K World



Exhibit 2. – Brand Architecture

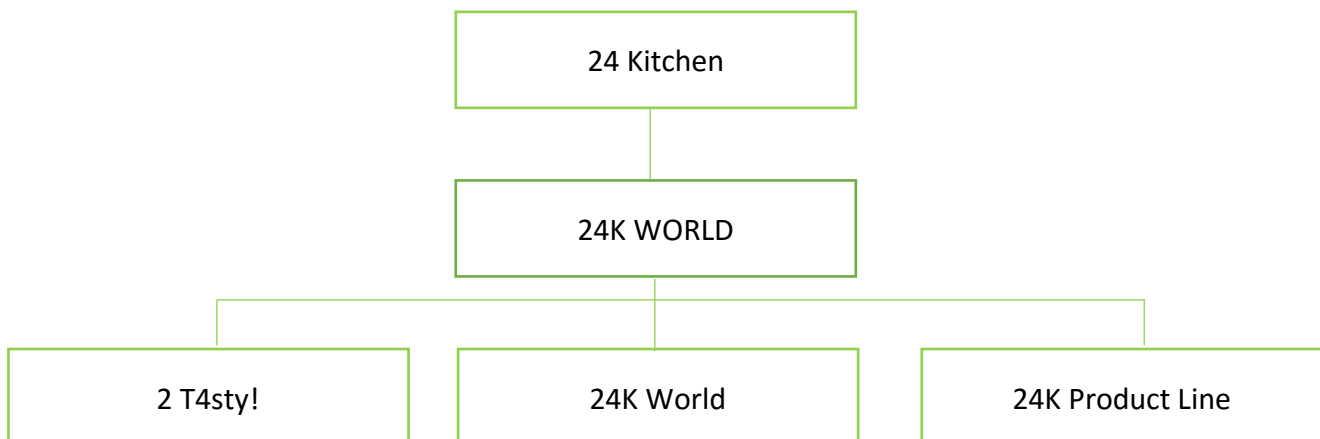


Exhibit 3. Brand Elements

Logo



Symbol



Slogan

"O amor de volta a cozinha"

Website and APP



Logo



Slogan

"É muito mais do que comer"

Logo



Website



Slogan

"Para o chef que há em si"

Exhibit 4. Supplementary services

2 T4sty!	
Information:	<ul style="list-style-type: none"> Prices, terms of conditions and sales, shipping and delivery time are provided on the website/app. An customer service line is in charge of providing information helping consumers pre and post-purchase. Recipes provided and Videos made by professional chefs explain in detail how to get the most value out of the service Strict nutritional information are provided to consumers (thus informing on allergens and particular ingredients)
Order Tacking	<ul style="list-style-type: none"> Customers can order boxes online through website and/or app
Billing	<ul style="list-style-type: none"> Self-billing system at the moment of purchase when card payment is authorised Accurate, legible and complete bills are sent to consumer right after the order on the email associated with the account (on time) Billing information and history carried out on the website/app in a dedicated section
Payment	<ul style="list-style-type: none"> Several payment options are available to consumers – e.g. self-service (Google Wallet and PayPal), direct to pay or intermediary (credit and debit cards)
Exceptions	<ul style="list-style-type: none"> A customer service telephone line would be in charge of handling complaints from consumers (and monitoring dissatisfaction), receiving suggestions from consumers quickly and easily If consumers are dissatisfied with the offer a partial or total compensation can be provided (users would need to proof through a picture that the service is not living upon its claims)
24K Live	
Information	<ul style="list-style-type: none"> A detailed plan of the three days event would be provided in advance showing a complete schedule for each day as well as stands, menus of restaurants prices and activities in a dedicated section of the 24 Kitchen website
Billing	<ul style="list-style-type: none"> A printed receipt is provided to consumers right after the payment at the venue of the event
Payment	<ul style="list-style-type: none"> Payment occur at the venue of the event and can is offered through “direct to payee or intermediary”: consumers have the possibility to pay cash, with credit or debit card
Consultation	<ul style="list-style-type: none"> Chefs at the stands that can provide consumers information and suggestion regarding dishes and hostesses regarding possible problems that may arise
Hospitality	<ul style="list-style-type: none"> Trained hostesses at the event would provide a warm, friendly and hospital atmosphere at the event
Exceptions	<ul style="list-style-type: none"> A complaints book and an e-mail would be made available to consumers that may wish to manifest complaints
24K Product Line	
Information	<ul style="list-style-type: none"> A small description of kitchen utensils and appliances is provided as well as information regarding the price
Order-taking	May vary according to manufacturer’s policies
Payment	May vary according to manufacturer’s policies
Exceptions	<ul style="list-style-type: none"> Upon agreement a telephone line handling consumer’s feedbacks and complaint is directly managed by the manufacturer Restitution of items may vary according to partner’s conditions